

## State of the State 2019

### *Republican Response*

#### **Introduction**

Good evening Rhode Island. My name is Representative Blake Filippi and I serve as the Republican Leader in your House of Representatives.

I would like to thank Governor Raimondo for her service to our state.

While we have differing assessments about the State of our State, it is important that we all, citizens and elected officials alike, work together in the months and years to come if we are to turn things around.

Republicans have successfully worked with our Democratic friends to champion good government initiatives like Separation of Powers, the elimination of the Master Lever and expanding Ethic's Commission jurisdiction over the General Assembly – and we look forward to continued collaboration in the future to enable our state to realize its potential.

#### **Education**

However, our state will never achieve its potential if we fail to fix our broken education system.

Many of our public elementary and secondary schools are failing our children - the recent statewide assessment tests are a shocking wake up call.

We have a two-tiered education system: if you have the means to send your kid to private school, they will most likely get a good education, and if you can't, you roll the dice with your children's future.

Every family deserves a good education, yet we are losing a generation.

We have to acknowledge this crisis, and make its remedy our top priority.

Dispersed responsibility inhibits accountability.

Bureaucrats from this statehouse to our dysfunctional Washington D.C. have usurped that which must be controlled at the local level by school committees, parents and teachers.

With local responsibility, the state can fairly enforce rigorous accountability – both on teachers and students.

The days when unprepared students advance through school must end.

A high school diploma must mean something again.

Fixing this crisis is priority number one.

There are no sacred cows, and everything must be on the table.

The future of our children demands no less.

### **Our Economy**

The next generation of Rhode Island Islanders also need to be able to find meaningful pursuits with their education. Today, our national economy is strong – but in Rhode Island, not everyone can participate in this growth. More Rhode Islanders are working harder for less.

Boston is booming, while our tallest building remains dark.

1/3rd of Rhode Islanders continue on public assistance

Our population is barely growing and we are on the precipice of losing a seat in Congress.

Our college graduates leave in droves for brighter futures outside Rhode Island.

Entrepreneurs leave to invest their capital where it is welcome.

And Our Seniors flee to other states that don't tax their retirement income or their life's work when they die.

Between 1992 and 2016 Rhode Island has suffered a cumulative wealth change of negative 2.43 Billion dollars – with over 1 Billion of that being lost to Florida.

We have a hostile business climate where many times it does not make sense to invest in Rhode Island unless you are able to obtain taxpayer-funded corporate welfare to make the numbers work.

We need to end corporate welfare with our taxpayer dollars.

It is morally wrong for the government to pick winners and losers with our money, it inhibits other investment, and it does not create the widespread organic growth we need.

Let's us remember that Government consumes wealth, it does not create wealth, and the only thing too big to fail is our system of free enterprise.

It is People that create wealth and they must be unleashed through broadly applicable tax policies and regulatory reform that everyone can take advantage of, which will nurture local and out-of-state investment.

I met with a manufacturer today, and our energy costs are 51% higher than other states they could move to – its costs her over \$600,000 in additional energy costs just to stay in Rhode Island.

She told me it that no practical business would stay in Rhode Island – unless they have roots here, and that is why she stays. But many don't.

Culturally, we must also foster a positive business ethos – where job producers are encouraged.

For example, New York investor Jason Fane, who seeks to build the \$300 million Hope Point Tower in Providence, that will create many good-paying jobs and provide desperately needed tax revenues for the city, Mr. Fane has not been treated fairly by the city of Providence, and his character has been attacked by some.

This treatment of those who wish to invest in our state cannot go on.

Instead, we say “Thank you Mr. Fane. And we are sorry for the way you have been treated.”

### **Our State Budget**

As a recession looms, we must also reign in our state budget, which continues to balloon, now over \$9.6 Billion, with costly deficits every year.

Think about that – it's nearly \$9,600 for every man, woman and child, and that does not even include our local property taxes.

In order to get our budget under control, Republicans have long called for

- 1) the enactment of a line-item veto to cut spending,
- 2) the establishment of an office of inspector general to root out waste, fraud and abuse, and
- 3) the utilization of zero-based budgeting which would require every penny spent to be annually justified – instead of simply increasing budgets year over year.

Government must begin to budget like our families do – at our kitchen tables all over this state.

Republicans would much rather see citizens invest their money at their discretion, than further feeding government.

### **Local Finances**

Our municipal finances must also receive a healthy dose of fiscal sanity.

The mayor of our capitol city has declared that if Providence, with some of the highest property taxes in the country, cannot sell the People's water supply to shore up its pension system – with a nearly \$1 Billion unfunded liability – Providence will die a long, slow death.

Unfortunately, we see significant pension shortfalls in many of our other cities and towns – 19 local pension plans are in critical status with over 2,250,000,000 in unfunded liabilities.

These communities need to get their acts together, and it must be done now, as another recession will be devastating to both pensioners and taxpayers, and investors will continue to shy away until the shortfalls are remedied.

### **Healthcare**

We are also letting our people down when there is a shortage of doctors and nurses, and over flowing ER rooms, and waiting months to see a physician.

We must make it easier for physicians, nurses, and other healthcare professionals licensed in other states to work in our state, without prohibitive regulations.

This will foster a free market environment where doctors and nurses compete for our business – instead of patients competing to get an appointment.

### **Strengths and future**

Thankfully, we have many strengths to leverage.

- We are located between New York and Boston.

- I-95, integrated train systems, deep water ports

- World-class universities

- We have an environment that is both a social and economic treasure.

- Booming tourism industry

- Robust Defense Sector

- We are a Creative People with a wonderful culture

- Open and inclusive society

- Immense Civic pride

- Our quality of life is such that people want to live here if it were economical to do so

- We are small so we can change fast.

- And change we must.

### **Conclusion**

Republicans envision Rhode Island where everyone can share in our state's growth, where businesses are welcomed, and can thrive and employ the next generation of Rhode Islanders.

Where a URI graduate doesn't have to move away to start a career, can lay down roots, making a great income with a high quality of life.

Where a working mother can be proud that her children are receiving a top-notch education in our public schools.

And where a retired couple can feel confident living in financial security.

We reject a government that benefits a few at the expense of many.

We reject a government that views the People as its ATM machine.

We embrace the principle that the government must be limited, protect our individual liberty and secure free markets.

There is much work to be done and difficult decisions ahead.

As we go forth, let us remember that in the 21st century, Businesses and societies will rise and fall on their ability to tap into their collective wisdom and knowledge.

Race, gender, orientation, religion, and yes, even political party, do not matter.

Ideas matter. Drive matters. Working together matters. Intellectual Diversity matters. And the truth that elected officials must serve the public, matters.

We know Rhode Island can thrive and are committed to work with all our partners across state government and the public to make it happen.

It's time to chart a new course, to unleash our potential, propelled by our revolutionary heritage, fighting spirit and compassion for one another.

Thank you, Rhode Island, and goodnight.